

## PROGRAM SUPPLEMENTS

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$191,821,000	\$91,309,000	\$87,014,300	\$89,345,000	\$89,345,000	- \$102,476,000	- 53.4%
FED	20,000,000	0	0	0	0	- 20,000,000	- 100.0
PR	4,579,200	0	1,321,600	1,321,600	1,321,600	- 3,257,600	- 71.1
SEG	22,591,000	0	12,302,500	12,502,500	12,302,500	- 10,288,500	- 45.5
TOTAL	\$238,991,200	\$91,309,000	\$100,638,400	\$103,169,100	\$102,969,100	- \$136,022,100	- 56.9%

### FTE Position Summary

There are no authorized positions for Program Supplements.

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

**Governor/Legislature:** Provide adjustments to the base budget for removal of the following non-recurring elements from the base: (a) one-time fringe benefits cost adjustments occurring as a result of miscellaneous legislation (-\$202,500 GPR, -\$31,100 PR and -\$28,400 SEG annually); (b) one-time funding for a 27<sup>th</sup> bi-weekly payroll period that occurred in fiscal year 2000-01 (-\$30,000,000 GPR annually); and (c) one-time funding provided in separate appropriations for unbudgeted pay increases in the 1999-01 fiscal biennium that occurred as a result of pay rate or pay range reassignments approved by the Secretary of the Department of Employment Relations (-\$7,827,200 GPR and -\$1,286,500 PR annually). In addition, repeal the separate GPR and PR appropriations created in the 1999 budget for the funding of the pay rate or range reassignments discussed in (c) above.

GPR	- \$76,059,400
PR	- 2,635,200
SEG	- 56,800
Total	- \$78,751,400

[Act 16 Sections: 946 and 950]

## 2. FUNDING PRIOR YEAR HEALTH INSURANCE COSTS

GPR	\$24,800,600
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**Governor/Legislature:** Provide funding of \$12,400,300 annually to reflect the amounts estimated to be needed in 2001-02 and 2002-03 to supplement state agencies' GPR appropriations for the employer's share of prior year group health insurance premium increases. The increases occurred as a result of the Group Insurance Board's annual premium setting process for state health insurance contracts that determined premium rates for calendar year 2001. These increased costs were not included in agencies' adjusted base funding levels.

## 3. PROCUREMENT SERVICES SUPPLEMENTS [LFB Paper 141]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,332,500	- \$1,051,700	\$280,800

**Governor:** Provide \$1,332,500 in 2002-03 for supplements to GPR-funded state agencies for the new and unbudgeted costs proposed in the bill to be assessed by DOA for the costs of central procurement services. These billings will be assessed state agencies for DOA's provision of procurements services to the agencies except that no supplements will be allowed for any assessments which DOA makes for savings that any agencies realize as a result of DOA's provision of such procurement services to the agencies. In addition, modify current GPR, PR and SEG supplemental appropriations for financial services supplements to also allow funding to be provided out of these appropriations for the purpose of providing procurement services supplements [See "Administration -- State Agency Services" for information on the proposed change in DOA].

**Joint Finance/Legislature:** Modify the Governor's recommendation by deleting \$1,051,700 in 2002-03 to reflect a revised estimate of the supplemental funding need for GPR-funded executive branch state agencies with less than \$100 million in annual purchase order activity. Specify that funding from any of the appropriations for procurement services supplements in any fiscal year would be limited to those state agencies having total purchase order activity of less than \$100 million in the preceding fiscal year, as determined by DOA.

[Act 16 Sections: 949, 953 and 958]

## 4. FUNDING FOR DELAYED PAY ADJUSTMENTS

GPR	\$25,927,400
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**Governor/Legislature:** Create a new sum certain GPR appropriation, funded at \$12,963,700 annually, to supplement state agencies for the on-going annualized costs of salary and fringe benefit cost increases, other than health insurance, which were not built into agencies' base budgets because they had an effective date that began after July 2, 2000, but were effective during the time period prior to June 30, 2001, the end of the current fiscal biennium. In

addition, create complementary appropriations to allow supplementation from agencies' available program, federal or segregated fund revenues for comparable employee salary and fringe benefit costs that are funded from those revenue sources. Provide that all these new appropriations created for this express purpose would be repealed on June 30, 2003.

[Act 16 Sections: 947, 948, 951, 952, 954 thru 957, 959, 960 and 9459(4)]

## 5. PRIVATE LEASE SPACE SUPPLEMENTS [LFB Papers 715, 716, 717 and 719]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$12,073,500	- \$3,423,100	\$8,650,400

**Governor:** Provide \$5,774,700 in 2001-02 and \$6,298,800 in 2002-03 for the estimated amounts expected to be needed in those years to supplement state agencies' GPR appropriations for the increased costs of privately-leased space that they occupy, for any unbudgeted costs of assessments for the cost of facilities for the care of children of state employees and for required agency moves when directed by DOA. Total funding under the bill for private lease space supplements, including base funding (\$3,935,000), would be \$9,709,700 in 2001-02 and \$10,233,800 in 2002-03.

**Joint Finance/Legislature:** Make the following modifications to the Governor's recommendations: (a) change the three current appropriations (GPR, PR and SEG funded) for supplements to state agencies for leased space costs and for the costs of DOA-directed moves to be appropriations only for leased space costs and create three new appropriations (GPR, PR and SEG funded) of the same type for the purpose of supplements for the costs of DOA-directed moves and transfer \$8,421,000 GPR in 2001-02 and \$8,266,800 GPR in 2002-03 from the existing GPR combined appropriation to the new GPR appropriation for DOA-directed moves; (b) reduce funding for the remaining leased space costs appropriation by \$69,600 GPR in 2001-02 and by \$72,000 GPR in 2002-03 to reflect the re-estimated level of need for supplements; and (c) reduce total funding reserved for four agencies for directed move costs based on updated need projections, revised space costs or elimination of duplicate reserved funding by a total of \$1,547,000 GPR in 2001-02 and a total of \$1,734,500 GPR in 2002-03, as shown in the table below:

<u>Agency</u>	<u>Reduction in Amount Reserved for Agency</u>	
	<u>2001-02</u>	<u>2002-03</u>
Health and Family Services	- \$87,000	\$0
Justice	- 681,500	- 762,600
Natural Resources	- 312,600	- 319,700
Revenue	- 465,900	- 652,200
Total	- \$1,547,000	- \$1,734,500

[Act 16 Sections: 961ab, 961c, 961d, 961dk, 961e and 961f]

## 6. CAPITOL AND EXECUTIVE RESIDENCE OPERATIONAL COSTS

GPR	\$1,600,000
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**Governor/Legislature:** Provide \$750,000 in 2001-02 and \$850,000 in 2002-03 for increased costs for operation, maintenance and protective services at the Capitol and Executive Residence. The increased funding is recommended as the result of increased power plant expenses due to air conditioning of the Capitol, installation of modern electrical services and the increased costs of police services and security for public events. Total funding under the bill for Capitol and Executive Residence operational costs, including base funding (\$5,492,700), would be \$6,242,700 in 2001-02 and \$6,342,700 in 2002-03.

## 7. STATE-OWNED SPACE RENT SUPPLEMENTS [LFB Paper 718]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$39,400	\$180,100	\$219,500

**Governor:** Reduce base level funding by \$407,600 in 2001-02 and increase base level funding by \$447,000 in 2002-03 for supplements to agencies for increased rent costs in state-owned buildings. The net changes are necessary to provide the estimated level of funding needed to supplement state agencies' GPR appropriations for the increased costs of rent in state-owned office buildings. Increases in state office building rents are expected to be approved by the State Building Commission for 2001-03 that are in excess of budgeted amounts in state agencies' GPR appropriations for this purpose. In addition, rent increases that occurred in 2000-01 need to be supplemented since those costs were not included in agencies' base budgets. Total funding under the bill for state-owned space rental supplements, including base funding (\$2,379,800), would be \$1,972,200 in 2001-02 and \$2,826,800 in 2002-03.

**Joint Finance/Legislature:** Increase funding by \$111,500 GPR in 2001-02 and by \$68,600 GPR in 2002-03 based on a reestimate of projected total state office building square footage and planned increases in rental costs for state-owned office building costs in 2001-03.

## 8. JOINT FINANCE COMMITTEE APPROPRIATIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Veto (Chg. to Leg)	Net Change
GPR	-\$90,226,000	\$0	\$2,330,700	\$0	-\$87,895,300
PR	- 1,944,000	1,321,600	0	0	- 622,400
FED	- 20,000,000	0	0	0	- 20,000,000
SEG	- 22,534,200	12,302,500	200,000	- 200,000	- 10,231,700
Total	-\$134,704,200	\$13,624,100	\$2,530,700	- \$200,000	- \$118,549,400

**Governor:** Reduce base level funding for the Joint Committee on Finance appropriations for supplement of state agency appropriations by -\$45,113,000 GPR, -\$972,000 PR, -\$10,000,000

FED, and -\$11,267,100 SEG annually. These reductions reflect the removal of one-time funding which was placed in the respective appropriations as a part of the 1999-01 budget and reserved for specific funding allocations. (Note: These reserves included funding for such purposes as: (a) inmate work centers and additional contracts beds for Department of Corrections; (b) MA targeted case management activities in the Department of Health and Family Services; (c) Universal Service Fund programs under the PSC; (d) IT systems development at the Department of Revenue; (e) increased enrollments in the UW System; (f) TEACH access grants; and (g) KIDS system operations and TANF contingency funds in the Department of Workforce Development. Some or all of these reserved funds have been or will be allocated to the respective state agencies during the 1999-01 fiscal biennium. Under the bill, no reserved funds would be indicated for any purpose. However, the Joint Committee on Finance GPR supplemental appropriation would have an undesignated base funding level of \$475,000 per year.

**Joint Finance:** *Specific funding reserves for 2001-03 release by JFC.* Place in the Committee's respective PR and SEG supplemental appropriations, reserved for release by the Committee at a later date for the purposes and agencies indicated, the following amounts of funding:

	Fund Source	Reserved Amounts	
		2001-02	2002-03
<b>Administration</b>			
Funds for Management Assistance Grant Program	PR	\$500,000	\$500,000
<b>Employee Trust Funds</b>			
Funds for Benefits Payment System Project	SEG	2,631,200	2,887,300
<b>Regulation and Licensing</b>			
Funds for IT Consultants and Projects	PR	170,800	150,800
<b>Veterans Affairs</b>			
Funds for In-House Servicing of Loan Portfolio	SEG	4,810,600	898,800
Funds for Document Imaging Project	SEG	<u>885,700</u>	<u>188,900</u>
Totals	PR	\$670,800	\$650,800
	SEG	8,327,500	3,975,000

**Senate:** *Specific funding reserves for 2001-03 release by JFC.* Modify Joint Finance provision to add to the Committee's respective GPR and PR supplemental appropriations, reserved for release by the Committee at a later date for the purposes and agencies indicated, the following amounts of funding:

		<u>Reserved Amounts</u>	
	<u>Fund Source</u>	<u>2001-02</u>	<u>2002-03</u>
<b>Health and Family Services</b>			
Funs for Administrative Costs--Prescription Drug Program	GPR	\$1,000,000	\$0
<b>Administration</b>			
Funding for Electronic Procurement System	PR	671,500	1,284,100

**Assembly:** *Specific funding reserves for 2001-03 release by JFC.* Modify Joint Finance provision to add to the Committee's GPR supplemental appropriations, reserved for release by the Committee at a later date for the purposes and agencies indicated, the following amounts of funding:

	<u>Fund Source</u>	<u>Reserved Amounts</u>	
		<u>2001-02</u>	<u>2002-03</u>
<b>Corrections</b>			
Funds for Fuel and Utility Costs	GPR	\$454,500	\$346,200
<b>Health and Family Services</b>			
Funds for Immunization Registries	GPR	\$299,000	231,000
Funds for Prescription Drug Start-up Costs	GPR	<u>2,000,000</u>	<u>0</u>
Totals		\$2,753,400	\$577,200

**Conference Committee/Legislature:** *Specific funding reserves for 2001-03 release by JFC.* Modify Joint Finance provision to add to the Committee's respective GPR and SEG supplemental appropriations, reserved for release by the Committee at a later date for the purposes and agencies indicated, the following amounts of funding:

	Fund Source	Reserved Amounts	
		2001-02	2002-03
<b>Corrections</b>			
Funds for Fuel and Utility Costs	GPR	\$454,500	\$346,200
<b>Health and Family Services</b>			
Funds for Immunization Registries	GPR	299,000	231,000
Funds for Prescription Drug Start-up Costs	GPR	1,000,000	0
<b>Natural Resources</b>			
Funds for Wisconsin Waters Initiative	SEG	<u>0</u>	<u>200,000</u>
Totals	GPR	\$1,753,500	\$577,200
	SEG	0	200,000

**Veto by Governor [B-47]:** Delete language allowing the transfer of \$100,000 SEG from the nonpoint account of the environmental fund in DNR and \$100,000 SEG from the water resources account of the conservation fund in DNR to a new appropriation in DNR for continued development of a system to provide computer accessible water resource management information. As a result of this veto there are no funds available for release by the Joint Committee on Finance and the \$200,000 SEG reserve is reestimated to zero.

[Act 16 Vetoed Section: 9137(2t)]

The table below summarizes by item the final total reserve funding included in the Joint Committee on Finance appropriations. Under Act 16, unreserved GPR funding of \$475,000 is also included in the Committee's GPR supplement appropriation.

**Summary of Act 16 Reserve Funding  
Joint Committee on Finance Appropriations**

	<u>Fund Source</u>	<u>Reserved Amounts</u>	
		<u>2001-02</u>	<u>2002-03</u>
<b>Administration</b>			
Funds for Management Assistance Grant Program	PR	\$500,000	\$500,000
<b>Corrections</b>			
Funds for Fuel and Utility Costs	GPR	\$454,500	\$346,200
<b>Employee Trust Funds</b>			
Funds for Benefits Payment System Project	SEG	2,631,200	2,887,300
<b>Health and Family Services</b>			
Funds for Immunization Registries	GPR	299,000	231,000
Funds for Prescription Drug Start-up Costs	GPR	1,000,000	0
<b>Regulation and Licensing</b>			
Funds for IT Consultants and Projects	PR	170,800	150,800
<b>Veterans Affairs</b>			
Funds for In-House Servicing of Loan Portfolio	SEG	4,810,600	898,800
Funds for Document Imaging Project	SEG	<u>885,700</u>	<u>188,900</u>
Totals	GPR	\$1,753,500	\$577,200
	PR	670,800	650,800
	SEG	8,327,500	3,975,000